

**UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF TENNESSEE
at WINCHESTER**

UNITED STATES OF AMERICA)	
)	
v.)	4:10-cr-34
)	
CHRISTOPHER COOPER)	Judge Mattice/Lee

FACTUAL BASIS FOR PLEA

Comes now the United States of America by and through United States Attorney William C. Killian, and Assistant United States Attorney Steven S. Neff, and submits the following summary of the government's evidence in support of defendant's plea to Count One of the one count indictment :

a. In November, 2009, the Shelbyville, Tennessee post office installed covert cameras inside the facility. During December, investigators reviewed surveillance video from the camera showing the defendant not entering customer cash sales transactions at the window line. All of the manipulated customer cash transactions were for the purchase of stamps or booklets. Several times when the defendant did not enter the sales transaction into the system, he used the "No Sale" key to open the cash drawer to make change for the customer. Investigators also witnessed the defendant on the tape performing "under-ringing" where he would sell a booklet for \$8.80 but only enter a \$.44 cent sale. The defendant also utilized a "postage affixed" scheme where a customer would present a parcel for mailing, the defendant would put single stamps on the parcel and entered the transaction as a customer postage transaction, which meant that the customer had already put stamps on the parcel, which was not the case. The customer paid cash for the stamps the defendant applied to the parcel, but there was no point of sale entry to account

for them. This is how the defendant created cash overages in his drawer. The video shows the defendant placing extra cash into his pants pocket on December 3, 2009 and January 26, 2010.

b. An audit was performed on December 3, 2009 which curiously indicated a shortage of floor stock of stamps of only \$13.85 after investigators had observed the defendant NOT entering stamp sales of \$400 of the preceding 3 days. An audit of retail floor stock from January 2006 through December 31, 2009 showed a shortage of \$7,878.36, which would be less than expected based on the frequency and amounts of “non-sales” rung up by the defendant over a short period of time.

c. Investigators determined that there were numerous instances where bulk postage customers (businesses such as the Bedford County Utility District – BCUD) which would make large monthly purchases for postage so they could send out bills and correspondence were not showing payments in the system – Bulk Mail Entry Unit (BMEU). Investigators asked BCUD to show their cancelled checks and receipts, which they did. The receipts reflected the initials “CC” as the postal employee who had accepted the mailing. Agents suspected the defendant was using the checks paid by the bulk customers such as BCUD to cover the funds the defendant had taken.

d. *February 26, 2010:* Agents advised the defendant of his rights and questioned him about these practices. The defendant fully confessed to the individual instances the agents knew about as well as the entire scheme as a whole. He stated that he took the money because he had to file bankruptcy and was using postal money to live on.

e. Audits of other accounts were made in March through June. These were bulk accounts much like BCUD. The BCUD-specific audit showed a total embezzlement of more than \$53k from 50 mailings from the BCED account alone. Audits were also done from bulk

mailing customers Spotted Saddle Horse Breeders and Exhibitors Association (SSHBEA – 17 mailings for total loss of more than \$17k), Flat Creek Water Co-Op (25 mailings for total loss of more than \$5k). These were additional customers the defendant had identified during his confession as sources of his embezzlement activities.

f. The overall audit showed that the defendant was responsible for the following loss amounts:

Mishandled checks from mailings of BCUD:	\$53,730.78
Mishandled checks from mailings of SSHBEA:	\$17,363.77
Mishandled checks from mailings of Co-Op	\$5,204.82
Retail floor stock shortages not covered by BMEU checks:	\$10,652.66
Shortage in Unit Cash Reserve:	\$6.00
Total:	<u>\$86,958.03</u>

g. All of the above-described events occurred in the Eastern District of Tennessee

ELEMENTS OF THE OFFENSE

1. The defendant was an employee of the United States Postal Service;
2. He knowingly and intentionally converted funds to personal use; and
3. He came into possession of these funds as part of his official duties.

PENALTIES

The maximum punishment faced by the defendant as a result of his guilty plea is ten (10) years imprisonment, 3 years supervised release, \$250,000 fine, \$100 special assessment, and any lawful restitution.

Respectfully submitted,

WILLIAM C. KILLIAN
UNITED STATES ATTORNEY

By: *s/ Steven S. Neff*
STEVEN S. NEFF
Assistant United States Attorney
1110 Market Street, Suite 301
Chattanooga, Tennessee
(423) 752-5140

CERTIFICATE OF SERVICE

I hereby certify that on December 8, 2010, a copy of the foregoing factual basis was filed electronically. Notice of this filing will be sent by operation of the Court's electronic filing system to all parties indicated on the electronic filing receipt. All other parties will be served by regular U.S. mail or facsimile. Parties may access this filing through the Court's electronic filing system.

By: *s/ Steven S. Neff*
STEVEN S. NEFF
Assistant United States Attorney